

## Michelle Webb

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**From:** Rob Goldberg [artstudioalaska@yahoo.com]  
**Sent:** Sunday, February 09, 2014 12:15 AM  
**To:** Michelle Webb  
**Cc:** Julie Cozzi; Jila Stuart; Stephanie Scott  
**Subject:** Borough revenue idea

**Follow Up Flag:** Follow up  
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**Categories:** Agenda Business, Red Category

Hi Michelle,

Please forward the following to all Borough Assembly members. Thanks.

Budget time is upon the Borough again, and every year it seems that there is not enough revenue to continue to fund the Borough services and non-profits at a level that citizens want. No one likes to pay more taxes, yet it is tax revenue that pays for these services.

There is a way to increase the Borough's revenue that would be as painless as possible to residents - a variable sales tax rate. Many communities, including Skagway, already do this. A chart in the Comprehensive Plan on page 48 shows that more than half of all sales tax collected in the borough comes in June, July, August and September. At the top of page 48 is the sentence: "In 2011, each 1% sales tax levied areawide generated about \$453,500 and each 1% sales tax levied in the Townsite Service Area generated about \$478,000."

If the Borough were to increase the sales tax rate for the four busiest months from 5.5% to 6.5% in the Townsite, and from 4% to 5% areawide, the numbers above would indicate that the Borough could increase its revenue by close to half a million dollars. Visitors would pay most of this. I know this might cause some bookkeeping issues for businesses, but it may be as simple as re-programming the cash registers. I don't think visitors will balk at a 6.5% sales tax. That's pretty low by today's standards. Washington State is 8% and many other countries have a Value Added Tax above 10%.

Something to think about.

Sincerely,  
Rob Goldberg

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